

EXHIBIT 105

Where Is Jeffrey Epstein's Money Going?

Settlements, upkeep and lawyers have whittled his \$600 million estate to about \$185 million. A civil fraud suit in the Virgin Islands could wipe out more.

By Matthew Goldstein

Jan. 28, 2022

When Jeffrey Epstein died, he left behind an estate with an estimated value of \$600 million. There were vast financial holdings, a private jet, and palatial properties including an island hideaway, a grand Manhattan mansion and a 7,600-acre New Mexico ranch.

But taxes, property upkeep and temperature-controlled storage for his art collection — as well as \$121 million in settlements to more than 135 women who accused him of sexually abusing them when they were young — have since cut into the size of Mr. Epstein's estate. It's now worth about a third of its value when the financier, 66, hanged himself in a Manhattan jail cell while awaiting trial on sex-trafficking charges two and a half years ago.

The biggest continuing expense is legal costs: \$30 million so far to law firms brought in to clean up Mr. Epstein's affairs. Lawyers have helped hand out settlements, liquidate assets and sift through the complicated holdings of a man who once set up his own offshore bank.

The work won't be over anytime soon. The estate must still resolve a civil fraud lawsuit, brought by the attorney general of the Virgin Islands, who claims Mr. Epstein used the territory to facilitate a criminal enterprise by bilking it out of more than \$70 million in tax revenue. And Ghislaine Maxwell, the former associate of Mr. Epstein who was convicted of sex-trafficking charges last month, has sued the estate to recoup her legal fees.

Not until all that is over will the estate dispense whatever is left, according to the terms of a secret trust that Mr. Epstein set up and named in a will drawn just two days before he died.

The details of the trust are not public. But Karyna Shuliak, Mr. Epstein's girlfriend and the last person he spoke to on the phone before killing himself, will be one of the main beneficiaries, The New York Times previously reported. Ms. Shuliak, a native of Belarus, is a dentist who shared an office on the island of St. Thomas with Mr. Epstein's Southern Trust Company. A lawyer for Ms. Shuliak declined to comment.

Ghislaine Maxwell's sex-trafficking case went to trial in Manhattan last year. She was convicted on charges that she helped Mr. Epstein in his abuse. Stephanie Keith for The New York Times

The estate has paid \$9 million to the lawyers and their team who established and oversaw the victims restitution fund, and \$21 million to at least 16 law firms for services and expenses, according to a review of quarterly financial statements filed by the estate in Superior Court in the Virgin Islands.

Five firms — Troutman Pepper, Hughes Hubbard & Reed, White & Case, McLaughlin & Stern and Kellerhals Ferguson Kroblin — have each taken in fees that exceed the nearly \$900,000 average award to victims from the compensation fund. A lawyer for nine accusers who submitted claims took issue with the size of those legal bills.

"It is appalling that lawyers divvying up the estate of Jeffrey Epstein are profiting more than his victims," said the Florida lawyer, Spencer Kuvin, who has been seeking compensation for some of Mr. Epstein's accusers for more than a decade.

Daniel Weiner, a lawyer with Hughes Hubbard, which has billed the estate over \$6 million, said it was wrong to compare the legal fees and the settlement amounts. He said the estate's executors, Darren Indyke and Richard Kahn, had put no limitations on the amount of money handed out by the restitution fund, which an independent administrator oversaw.

The victims who participated, he added, were able to avoid litigation costs that could have reduced the amount they received. (Victims' lawyers are being paid out of the awards; a one-third share is typical.)

Mr. Epstein killed himself while awaiting trial in 2019.

New York State Sex Offender Registry, via Associated Press

Mr. Weiner said he would not discuss whether Mr. Indyke and Mr. Kahn, who were longtime advisers to Mr. Epstein, would ultimately receive any proceeds from the estate through the trust.

"The trust Mr. Epstein created before his death has not and will not be funded, if ever, until every single claim against the estate has been resolved," Mr. Weiner said in a statement. "Public curiosity as to contingent beneficiaries who may never receive anything from that trust cannot justify violating their legitimate privacy interests."

Although the estate's legal expenses continue to grow, William LaPiana, a professor at New York Law School and a trust and estates expert, said the costs were, so far, fairly typical.

Mr. LaPiana said it was not unusual for legal fees in complex estates that involved extensive litigation to approach 5 percent of the estate's initial value. The legal fees unrelated to the compensation fund currently represent about 3.5 percent of the estate's beginning valuation.

"I don't believe a court would yet decide that the admittedly large fees are excessive," he said.

The fees are just one component of the long list of costs that have whittled away at the fortune that Mr. Epstein built primarily by providing financial and tax advice to a small group of wealthy men. Among them were two billionaires: Leon Black, a founder of the private equity firm Apollo Global Capital, and Leslie Wexner, the founder of a retail empire that once included Victoria's Secret.

The estate's tax bill alone was roughly \$180 million. Upkeep of the properties — two tropical islands, the ranch and a Paris apartment are still unsold — has cost millions more. The estate is also paying about \$15,000 a month to store Mr. Epstein's art collection in a temperature-controlled warehouse in Long Island City, according to court filings. More routine expenses include roughly \$390 a month to Verizon for phone services and about \$154 a month to Dish for satellite TV services, the filings show.

Cash has come in as assets have been sold off: \$66 million from the sale of Mr. Epstein's former homes in Manhattan and Palm Beach, Fla., although that was well below their asking prices. A Gulfstream jet, one of three planes Mr. Epstein owned, was sold in late 2020

for \$10 million, some \$7 million less than the estate had valued it.

In August, the estate sold its half interest in a yacht club on St. Thomas for \$4.6 million. A few months earlier, it sold his Sikorsky helicopter, generating \$1.5 million. Other asset sales have netted more modest sums: In September, the estate got \$985 for an “Ikea green shag rug” and outdoor furniture from Mr. Epstein’s island home.

The value of the estate is now roughly \$185 million, and the litigation with the Virgin Islands has the potential to wipe out much of that.

Denise George, the territory’s attorney general, filed a civil fraud complaint against the estate two years ago, contending that Mr. Epstein improperly received a tax benefit that allowed him to finance sex trafficking. That wrongly deprived the territory — where the poverty rate is roughly twice the national average — of badly needed revenue, Ms. George said. She is seeking to recoup tens of millions in lost revenue, plus punitive damages.

Ms. George’s office retained a law firm, Motley Rice, to handle much of its investigation. Motley Rice’s compensation will ultimately be based on any judgment or recovery in the case, the attorney general’s office said.

Denise George, the attorney general of the Virgin Islands, sued Mr. Epstein’s estate, saying the financier improperly received tens of millions of dollars in tax breaks. Gabriella N. Baez for The New York Times

The two sides began settlement talks last year, though the parties are not close to a deal, said two people briefed on the matter, who spoke on the condition of anonymity because the talks are confidential.

Sandra Goomansingh, a spokeswoman for Ms. George, declined to comment on whether the parties were engaged in settlement negotiations. Mr. Weiner also declined to comment on settlement talks.

The size of any settlement depends, in part, on how much money Mr. Epstein's two islands off St. Thomas can fetch at sale. His estate valued the properties at about \$20 million, according to the most recent quarterly report. But a local real estate agent said they could go for much more.

The agent, April Newland, who specializes in selling high-end properties, said she had shown the islands to a number of interested buyers, including several cryptocurrency investors. Ms. Newland said getting both for just \$20 million would be a "steal."

"There is a market for private islands," she said. "And once they start marketing them, they will go."